

## Message Text

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PAGE 01 NEW DE 06735 290615Z

ACTION EB-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05  
SS-15 STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02  
OMB-01 DOE-15 /123 W

-----106804 300451Z /23

R 281144Z APR 78

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 1272

INFO AMEMBASSY PARIS

AMCONSUL BOMBAY

AMCONSUL MADRAS

AMCONSUL CALCUTTA

LIMITED OFFICIAL USE NEW DELHI 6735

PARIS FOR USOECD ONLY

E.O. 11652: NA

TAGS: ETRD, EAID, IN

SUBJECT: INDIAN EXPORT CREDIT SYSTEM

REF: A) STATE 083355 B) NEW DELHI 5838 C) NEW DELHI 6761

1. THE FOLLOWING INFORMATION ON THE INDIAN EXPORT CREDIT  
SYSTEM SUPPLEMENTS REF B.

2. RATINGS OF EXPORT MARKETS (PARA 5M OF REF A). THE EXPORT  
CREDIT AND GUARANTEE CORPORATION (ECGC) HAS CATEGORIZED ALL  
EXPORT MARKETS INTO FIVE COUNTRY-GROUPS ACCORDING TO THEIR  
CREDITWORTHINESS. CATEGORY A IS THE MOST CREDITWORTHY  
FOLLOWED BY B,C,D, AND E. WE ARE POUCHING LIST OF COUNTRIES  
FALLING IN THESE CATEGORIES IN NEW DELHI A-98.

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3. PREMIUM RATES FOR INSURANCE. ECGC'S PREMIUM RATES FOR  
EXPORTERS (MENTIONED IN PARA 5A OF REF B) VARY ACCORDING  
TO PAYMENT TERMS, AND THE RATINGS OF CREDITWORTHINESS  
OF THE BUYER'S COUNTRY. (DETAILS ARE CONTAINED IN  
NEW DELHI A-98). THESE RATES ARE DETERMINED FOR EACH  
CONTRACT DEPENDING UPON THE PAYMENT TERMS AND ARE VALID  
FOR THE CREDIT PERIOD OF THE CONTRACT, E.G. FROM THE DATE

OF SHIPMENT TO THE CONTRACTED DATE OF PAYMENT BY THE BUYER IN CASE OF POST-SHIPMENT CREDIT. HOWEVER, ECGC CAN EXTEND THE CREDIT PERIOD OF CONTRACT IN CASE OF NON-RECEIPT OF THE EXPORT-SALE-PROCEEDS BY CHARGING ADDITIONAL PREMIUM FOR AN EXTENDED PERIOD. THE MAXIMUM CREDIT PERIOD IS NORMALLY SIX MONTHS. A REBATE OF 10 PERCENT IS GIVEN IF TOTAL PREMIUM PAID EXCEEDS RS. 20,000 AND OF 5 PERCENT FOR PREMIUM BETWEEN RS. 5,000 AND RS. 20,000. ECGC'S PREMIUM RATES FOR BANKS (MENTIONED IN PARA 5A OF REF B) ARE ON A PER MONTH BASES. BANKS PAY PREMIUMS TO ECGC AND THEN CHARGE THEM TO THE EXPORTER'S ACCOUNT.

4. INTEREST CHARGES. RATES GIVEN IN PARA 5B OF REF B ARE ANNUAL. ADDITIONALLY, THE BANKS CHARGE THE EXPORTER VARIOUS AMOUNTS UNDER THE CATEGORIES OF NEGOTIATION, COMMISSION, ETC. THESE CHARGES VARY FROM CONTRACT TO CONTRACT DEPENDING ON THE PAYMENT TERMS AGREED BETWEEN THE BUYER AND THE SELLER, CURRENCY OF PAYMENTS, ETC. THESE CHARGES AVERAGE AROUND 50 CENTS PER THOUSAND DOLLARS OF EXPORT CREDIT. THIS INFORMATION ALSO SUPPLEMENTS INFORMATION PROVIDED IN PARA 5C OF REFERENCE B.  
GOHEEN

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, POLICIES, EXPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 apr 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978NEWDE06735  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780184-0938  
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**Litigation History:**  
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**Message ID:** 3a5988ac-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** ONLY  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** ONLY  
**Reference:** 78 STATE 83355, 78 NEW DELHI 5838, 78 NEW DELHI 6761  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2946194  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INDIAN EXPORT CREDIT SYSTEM  
**TAGS:** ETRD, EAID, IN  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
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